

Message Text

CONFIDENTIAL

PAGE 01 KUWAIT 04217 260812Z
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-05 H-01
INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15
ICA-11 SSM-03 SAA-01 TRSE-00 EB-08 COME-00 AID-05
DOE-15 SOE-02 OMB-01 /111 W
-----059638 270341Z /13

R 260541Z JUL 78
FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC 1491
INFO AMEMBASSY ABU DHABI
AMEMBASSY AMMAN
AMEMBASSY CAIRO
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY LONDON
AMEMBASSY MUSCAT
AMEMBASSY MANAMA
AMEMBASSY SANA
AMEMBASSY TEHRAN
USLO RIYADH
USINT BAGHDAD POUCH

C O N F I D E N T I A L KUWAIT 4217

E.O. 11652: GDS
TAGS: PEPR, ENRG, KU, YE, YS
SUBJECT: ARAB LEAGUE "BOYCOTT" OF PDRY: OIL SUPPLIES

REF: (A) KUWAIT 4193 (NOTAL), (B) KUWAIT 4058 NOTAL

1. DURING CALL ON KUWAIT OIL MINISTER SHAIKH ALI KHALIFA
AL-SABAH JULY 25 CHARGE AND ECON CHIEF ASKED HIM WHETHER
KUWAIT HAD CUT OFF OIL SUPPLIES TO ADEN PURSUANT TO
THE JULY 2 ARAB LEAGUE FOREIGN MINISTERS' DECISION TO FREEZE
RELATIONS WITH PDRY.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KUWAIT 04217 260812Z

2. MINISTER EXPLAINED SITUATION AS FOLLOWS: FOR SOME TIME
PRIOR TO ARAB LEAGUE MEETING, KUWAIT AND IRAQ HAD USED ADEN
REFINERY FOR SOME OF THEIR CRUDE, WITH RESULTING PRODUCTS
BEING SOLD TO YAR. (PDRY NEVER OWNED EITHER THIS CRUDE OR
ITS PRODUCT.) THE ONLY ADVANTAGE TO PDRY WAS THAT KUWAIT'S
PROCESSING OIL THERE RAISED THE PERCENTAGE OF REFINERY
CAPACITY BEING USED, THEREBY LOWERING COSTS FOR PDRY'S

ADEN REFINERY. ARRANGEMENT WAS IN FACT LUCRATIVE FOR KUWAIT, MINISTER EXPLAINED, SINCE NORTH YEMENI MARKET WAS A GOOD ONE AND REFINING CRUDE IN ADEN CUT TRANSPORT COSTS, WHICH WERE HIGHER FOR PRODUCTS THAN FOR CRUDE. FURTHER TWIST WAS THAT KUWAIT MARKETING PRODUCTS PRODUCED FROM ADEN REFINERY ON THE BASIS OF OIL IRAQ HAD AGREED TO SUPPLY THERE UNDER A SWAP ARRANGEMENT IN WHICH IRAQ WAS COMPENSATED BY PROVISION OF REFINED PRODUCTS FROM KUWAIT'S SHUAIBA REFINERY TO IRAQ.

3. ALI KHALIFA SAID THAT, SINCE THE ARAB LEAGUE COUNCIL DECISION, KUWAIT HAD "CONGEALED" ITS CRUDE SUPPLY RELATIONSHIP WITH ADEN, PENDING FURTHER REVIEW. THIS MEANT THAT KUWAIT IS NO LONGER SUPPLYING OIL TO THE ADEN REFINERY AND IS SHIPPING REFINED PRODUCTS FROM ITS SHUAIBA REFINERY IN KUWAIT DIRECTLY TO THE YAR AT A HIGHER COST TO KUWAIT. MINISTER'S UNDERSTANDING IS THAT IRAQ HAS ALSO SUSPENDED USE OF ADEN REFINERY FOR IRAQI CRUDE.
SUTHERLAND

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ARABS, OILS, SUPPLIES, BOYCOTTS
Control Number: n/a
Copy: SINGLE
Draft Date: 26 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978KUWAIT04217
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780307-0586
Format: TEL
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780719/aaaaaqbl.tel
Line Count: 81
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 6b06586c-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 KUWAIT 4193, 78 KUWAIT 4058
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28 jun 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1882878
Secure: OPEN
Status: NATIVE
Subject: ARAB LEAGUE ("BOYCOTT") OF PDRY: OIL SUPPLIES
TAGS: PEPR, ENRG, KU, YE, YS
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/6b06586c-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014